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TAGS: [EAID](#) [ETRD](#) [LA](#) [MOPS](#) [PGOV](#) [PHUM](#) [PREL](#) [SNAR](#)
SUBJECT: AMBASSADOR'S FAREWELL CALLS WITH SENIOR LAO
OFFICIALS: HMONG ISSUES, MATERIAL WAIVER CONCERNS FEATURE
PROMINENTLY

REF: A. VIENTIANE 416
[1](#)B. 06 VIENTIANE 1117
[1](#)C. VIENTIANE 257
[1](#)D. VIENTIANE 390
[1](#)E. VIENTIANE 92
[1](#)F. 06 VIENTIANE 1234
[1](#)G. VIENTIANE 12
[1](#)H. VIENTIANE 121
[1](#)I. VIENTIANE 110
[1](#)J. VIENTIANE 288
[1](#)K. VIENTIANE 205
[1](#)L. BANGKOK 596
[1](#)M. BANGKOK 816

Classified By: AMBASSADOR PATRICIA M. HASLACH: for reasons
1.4 (b) and(d)

[1](#)1. (C) Summary: The Ambassador's farewell calls with senior Lao officials were marked by appreciation for her role in moving the bilateral relationship forward on traditional areas of cooperation (MIA accounting, opium eradication, and unexploded ordnance removal) while breaking ground on new areas including avian influenza preparations, trade, and increased military-military contacts. Somewhat surprisingly, discussions of Hmong issues, a very sensitive subject, were not only possible but quite frank in meetings with Foreign Ministry leaders. The most disturbing element of these calls was the message enunciated most clearly by the Foreign Minister that the Lao Government is very concerned about a USG material support waiver for Hmong "terrorists." End summary.

[1](#)2. (SBU) The Ambassador paid farewell calls during May on a range of senior Government of Laos (GOL) leaders including President Choummaly Sayasone (May 8), Deputy Prime Minister/Foreign Minister Thongloun Sisoulith (May 21), National Assembly (NA) President Thongsing Thammavong (May 23), Vice Foreign Minister Phongsavath Boupha (May 10), and Vice Foreign Minister Bounkeut Sangsomsack (May 11 -- ref A). In addition, Vice Foreign Minister Hiem Phommachanh hosted a farewell dinner for the Ambassador on May 24. The GOL officials all expressed very warm appreciation for the Ambassador's role in helping improve bilateral relations.

[1](#)3. (C) During these calls, the Ambassador highlighted the improvements in bilateral relations that had occurred during her term which had seen the United States granting Normal

Trade Relations to Laos. She also congratulated the Lao officials for the GOL's successful hosting of the ASEAN Summit (2004) and ASEAN and ARF Ministerials (2005) as historical events which brought credit to the GOL during the past three years. The Ambassador noted that, when she arrived, U.S.-Lao bilateral relations centered on three issues associated with the Indochina War: MIA accounting, counter-narcotics, and unexploded ordnance.

14. (C) As she leaves, the Ambassador told the officials she is pleased new areas of cooperation have evolved including preparing for an avian influenza pandemic, trade, and expanded mil-mil relations. We are now also able to talk about the Hmong situation, although the two sides have very different views. Symbolizing the expanding relationship was the first bilateral Comprehensive Dialogue we held with the GOL last October (ref B). In this Dialogue, we covered the full range of bilateral issues including human rights and other sensitive topics. We look forward to continuing the Dialogue process with a second session this autumn, possibly in the United States.

15. (C) DPM/FM Thongloun told the Ambassador that Laos evaluated the bilateral relationship as very important and improving, building on the solid tradition of 52 years of uninterrupted relations -- despite "domestic changes" in Laos. The Lao people need to understand the programs we are cooperating on. We cannot prevent them from thinking about the past, but we need them to see the future, he opined. Thongloun said he was pleased EAP DAS Eric John had come to Laos to lead the U.S. team for the Comprehensive Dialogue. He welcomed the news that DAS John would be the next U.S. Ambassador to Thailand, calling him a "good old friend." Thongloun agreed the Comprehensive Dialogues should continue. The Ambassador and Thongloun concurred that exchanges of

visitors increase bilateral understanding and lead to a stronger relationship.

MIA Accounting

16. (C) The Ambassador expressed appreciation for the GOL's humanitarian cooperation in the search for MIA remains. She noted that 22 sets of remains had been identified and returned to families and loved ones in the United States during her three years in Laos. This brings the total of remains identified by the two sides since the bilateral accounting process began to 215 of the original total of 572. She expressed hope that continued bilateral cooperation would produce positive results for the remaining 357 missing.

17. (C) President Choummaly pointed out the GOL was pursuing a humanitarian policy in assisting the USG with MIA accounting even though many Lao soldiers were lost during the war years, and the GOL has not had sufficient time to find their remains to return to their families. Still the GOL will continue to do its utmost to cooperate with the United States on finding remains of the U.S. missing to return to their loved ones. DPM/FM Thongloun assured the Ambassador the GOL would maintain the current level of cooperation with the United States, noting more than half of the original MIA are still to be accounted for. During her meeting with Vice Foreign Minister Phongsavath, the Ambassador added her special appreciation that he had joined her in attending all four repatriation ceremonies held by the Joint POW/MIA Accounting Command (JPAC) during these past three years. (Note: in Lao newspaper coverage of the Ambassador's farewell calls, bilateral cooperation on the MIA accounting issue was highlighted as the major point of discussion.)

Counter-narcotics

18. (C) The Ambassador highlighted for the GOL leaders the role the United States has played for almost 20 years in assisting the GOL in eradicating opium. Since 1989, the United States has provided more than \$42 million to support

counter-narcotics programs. She expressed hope that this cooperation would continue as the counter-narcotics effort moves to deal with the growing threat of methamphetamines and other amphetamine-type stimulants (ATS -- ref C).

¶9. (C) During her meeting with President Choummaly, the Ambassador pointed out the significance of having Mr. Soubanh also present since he is the head of the Lao National Committee on Drug Control and Supervision. The Ambassador remembered participating in last year's ceremony declaring Laos opium free; she credited Laos with successfully reducing opium cultivation from 42,000 hectares in 1989 to only 1700 at present. President Choummaly expressed particular appreciation for the Ambassador's attendance at the opium-free ceremony. The Ambassador noted that she and Minister Soubanh would travel to Pakse Province to address Lao students there on the dangers of ATS addiction. (Note: they spoke to 1000 students in Pakse the following day.)

Unexploded Ordnance

¶10. (C) The Ambassador restated the commitment of the United States to help the GOL deal with unexploded ordnance (UXO) and pointed out the USG has provided UXO support since the beginning of the removal process. She noted she had personally seen the impact UXO can have on villages and its victims. Our goal is to help strengthen the GOL's capacity to remove remaining UXO. We are also working to help educate the young people of Laos about the dangers of UXO. President Choummaly expressed great concern about the UXO problem, saying this directly hampered the GOL's efforts at national development. Lao officials requested that the USG continue its support for UXO removal: DPM/FM Thongloun expressed hope the USG would continue at least its current level of support while President Choummaly asked for help in making even faster progress on resolving this problem.

Avian Influenza

¶11. (C) One important new area of bilateral cooperation is helping the GOL to prepare for an avian influenza (AI)

pandemic. The Embassy welcomes the cooperation on this issue received from the Ministry of Health as well as the Ministry of Agriculture and Forestry. The Ambassador noted she had been very impressed with the GOL's handling of the first two human AI cases earlier this year and the very effective culling of poultry that the GOL carried out in March. She promised the USG stands ready to work with the GOL on managing AI in the future. DPM/FM Thongloun thanked the Ambassador for the AI support and confirmed the GOL is "fully controlling" the current situation.

Trade

¶12. (C) President Choummaly told the Ambassador he was quite satisfied with the support provided by the USG in the area of trade, including Normal Trade Relations (NTR) and a new Bilateral Trade Agreement (BTA) coming into effect in 2005, saying this has allowed Laos to increasingly become a part of the international economic system. Describing Laos as a small country which suffered greatly during the long war years, the President highlighted the GOL's current focus on implementing its social and economic development plan with targets set for 2010 and 2020. To achieve these targets, Laos needs the support and cooperation of the international community including the United States. The President asked for help in disseminating information about Laos to the U.S. business community and encouraging more Americans to invest in Laos.

¶13. (C) Despite NTR and the BTA, the Ambassador expressed some disappointment that significant U.S. investment has not yet been attracted to Laos. One issue is the investment climate in Laos. The Ambassador told the Lao leaders that USG stands ready to work with the GOL to improve the investment climate. She gave credit to the National Assembly

during her meeting with NA President Thongsing for focusing on laws to promote investment and economic development through the private sector including by addressing issues such as corruption.

¶14. (C) DPM/FM Thongloun remarked that U.S. investment in Laos is still relatively high. He assessed the low level of bilateral trade as resulting from the facts that the two countries are so far from each other and American consumers are not familiar with Lao products. At present, Laos sells more to Europe than the United States. Thongloun expressed hope that Lao silk and garments can achieve market share in the United States, citing the success of Cambodia's garment industry in doing so. He expressed faith that NTR and Laos's upcoming WTO accession would make this process easier. The Ambassador confirmed the USG looked forward to working with the GOL on the process of WTO membership for Laos. Thongloun also pressed the Ambassador to help find a way to make Ex-Im Bank coverage for Laos possible.

¶15. (C) The Ambassador noted that one major U.S. energy company is interested in investing in Laos and had recently bid on a major hydropower project on the Mekong River (ref D). This company has the experience and expertise to be able to commit to the high standards set by the Nam Theun II hydropower project. Although it was unsuccessful on this bid, we hope the company will be interested in future projects here. DPM/FM Thongloun told her he remembered working on the Nam Theun II project when he was in his previous position as head of the Lao Committee for Planning and Investment. He joked that the Nam Theun II four-year approval process was like studying for a "second Ph.D." for him. Thongloun affirmed that if a major and capable U.S. company were interested, it would be able to compete successfully for future opportunities in the hydropower sector in Laos. The Ambassador pointed out that a major U.S. company being successful in entering the Lao market would help drive Ex-Im Bank consideration of opening coverage of U.S. investments here.

Mil-Mil Relations

¶16. (C) The Ambassador expressed hope the two sides would be at a point where expanding mil-mil relations outside of the MIA accounting process would be possible (ref E). We have been cooperating on educational exchanges including at the Asia Pacific Center for Security Studies in Honolulu, and a

GOL delegation will be going to the United States to look at English language training opportunities for the future. We are also hoping to coordinate planning between the two militaries to prepare for emergencies such as a region-wide disease pandemic. We hope increased mil-mil cooperation will help improve the overall bilateral relationship. DPM/FM Thongloun was positive about these steps, asked that we keep the Foreign Ministry informed, and expressed appreciation in particular for a recent donation of medical supplies by PACOM to the Lao military. (Note: agreement has been reached to donate these supplies to the Lao military, possibly in conjunction with an upcoming training event or other type of exchange.)

Legislative Relations

¶17. (C) When meeting with National Assembly (NA) President Thongsing, the Ambassador focused on the opportunities for increased contact between the NA and the U.S. Congress. She highlighted the very successful visit of Representative Betty McCollum to Vientiane in December 2006 (refs F, G) as a very positive first step. Thongsing noted the NA's role in supporting the Government's focus on ending poverty, developing prosperity, and expanding education. According to Thongsing, increased education will bring greater equality which will in turn lead to more democracy and a better human rights environment. Describing this as a step-by-step process, Thongsing asked rhetorically how people who have food while others are hungry or people with university

educations while others are uneducated could ever be equal in society. Thus the NA has a special focus on building roads, schools, and hospitals in rural areas to reduce existing gaps within the society. The Ambassador particularly complimented the NA's role in protecting the most vulnerable in society, citing the recent Women and Children Trafficking Law and the Protecting Children's Rights and Benefits Law as very important (ref H). She offered U.S. technical assistance to assist the NA in drafting legislation particularly in the commercial or economic areas.

The Hmong

118. (C) Much of the Ambassador's call on DPM/FM Thongloun was taken up in a very frank exchange on the Hmong problem -- which they agreed was a very emotional issue. The Ambassador pointed to a range of misinformation circulating about the situation of the Hmong in Laos. There is also misinformation about USG policies, and some Hmong are being misled into believing they can be resettled in the United States if they cross into Thailand. The Ambassador noted the GOL and Thai government are discussing this problem, including the issue of 8000 Hmong, many from Laos, currently in a holding camp in Thailand's Petchabun Province.

119. (C) The Ambassador told DPM/FM Thongloun that we welcome all efforts to improve communication and increase information about the Hmong situation. The recent two trips organized by MFA to visit Hmong returnees were a helpful step (refs I, J). Allowing greater access to the international community to the Hmong helps to dispel false rumors about their situation. The Ambassador also described the recent return to relatives of the 21 Hmong girls (from the group of 26 children detained by the GOL since December 2005) as helpful (refs J, K). She expressed hope the remaining five boys can also be found.

120. (C) With DPM/FM Thongloun, the Ambassador stated very clearly that the USG does not support any Hmong insurgency movement against the sovereign Lao Government. Still there are many Hmong-Americans who say many different things, a reflection of the open society in the United States. She told him that the best way to handle specific concerns of the GOL about our policies is to discuss these directly, and she said the Embassy staff would be happy to do so.

121. (C) Thongloun responded with concern about small groups of Lao-Americans who attempt to create domestic turmoil within Laos. All Lao ethnic groups are part of the same national community. The people have given up using the separating designations of "lowland Lao, upland Lao, and mountain Lao." Many in Laos, however, wonder why there is so much focus on the situation of the Hmong. These groups are using this issue as a "tool" making the Lao people suspicious

of their motives. Thongloun asked that the USG "resolve" this problem and recommended that the Ambassador and her successor should take seriously the misunderstandings being caused by these groups.

122. (C) Thongloun emphasized that the GOL and Thai government have discussed how to resolve the Hmong problem and now understand each other. According to Thongloun, there are too many people entering Thailand and causing problems (presumably people from Burma in addition to the Hmong). He had personally talked to Thai Foreign Minister Nit Pibunsongkhram many times. The two sides agree that they do not want outsiders to interfere in their attempt to find a solution.

123. (C) The very frank discussion of Hmong issues continued at the dinner hosted for the Ambassador by Vice Foreign Minister Hiem Phommachanh (former Lao Ambassador to the United States and Thailand). The Ambassador and Emboffs pushed Hiem, MFA Press Department Director-General Yong Chanthalangsy, and other MFA leaders to understand that repatriating from Thailand Lao Hmong who had been granted UNHCR status, particularly the 155 in the Nong Khai Immigration Detention Center (refs L, M) would be a mistake.

Repatriating economic migrants from Laos, after appropriate screening is different from forcing back people who can establish their qualification for international protection. Yong argued, as we expected, that the repatriation of people from Laos, Hmong or otherwise, who have illegally entered Thailand is a bilateral matter for Thailand and Laos to work out. (Note: no minds were changed in this discussion, but the fact it could be held at all demonstrates a significantly increased openness we have gained with these officials. We believe Ambassador Hiem will be an increasingly important interlocutor for the Embassy in the future.)

Waiver

¶24. (C) DPM/FM Thongloun very pointedly asked the Ambassador about reports the United States is currently discussing revisions to the Patriot Act. He expressed strong reservations about the United States being willing to accept people "who disturb this country" for resettlement -- if this is what the Patriot Act revisions are designed to allow. The Ambassador responded that the Department is working to try to ensure that "waiver" language is appropriate to assist those people, for example, whose applications for citizenship are being held up. At the same time, the language should not create new problems. However the proposals are still being debated, and the language of the final agreement is still unclear. Thongloun told the Ambassador that the "people of Laos" are very concerned about this issue since they see "these people" as terrorists. He assured her the GOL is following the situation closely.

COMMENT

¶25. (C) The Ambassador's farewell calls were marked by an unexpected level of warmth considering some of the complexities of the past three years (18-month detention of 26 Hmong children, April 2006 massacre, etc.). Among these calls, the meeting with DPM/FM Thongloun stands out for the extended focus on the Hmong issue which occupied a considerable part of their almost hour-long discussion. Thongloun is clearly concerned with this issue: Australian Ambassador Alistair Maclean is also departing Vientiane and spent the majority of his farewell call with Thongloun discussing the Hmong -- and particularly Australia's commitment to resettle many of the Hmong being held in the Nongkhai Immigration Detention Center. Thongloun's strong focus on and reservations about any waiver being applied to Hmong "terrorists" bodes at least temporary serious bilateral impact when the material support waiver being considered by the Congress is finally passed. The Ambassador chose to request a relatively unusual farewell call on the National Assembly President to demonstrate our belief that the NA is beginning to play an increasingly important role in moving the GOL toward a more transparent system in which the rule of law will be a growing factor.

HASLACH